



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

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Fraud Statistics/Convictions Activity

December 2010

Fraud Statistics

	<u>Month/Nov</u>	<u>YTD</u>
Total Referrals Received.....	60	963
Closed Referrals.....	24	426
Open Cases (Investigations-includes prior years)		191
Assigned Cases (Investigations).....	8	184
Closed Cases (Investigations).....	23	190
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	6	29
Charges (2 felonies).....	2	126
		[73 felonies, 53 misdemeanors]
Convictions (1 felony, 3 misdemeanors)	4	66
		[33 felonies, 33 misdemeanors]
Restitution Ordered.....	\$12,500.00	\$1,076,959.28
Investigation Expenses to Division		
Awarded..... \$	0.00	8388.16
Collected..... \$	195.03	6752.27
Administrative subpoenas issued.....	1	14
Non-licensed individuals.....	1	14
Licensed (active/inactive individuals)....	0	0
Subpoenas Received.....	0	45

Convictions Activity

Patrick Partinger – Partinger suffered an injury to his shoulder while employed by Convalence Specialty Materials Corporation. He was treated by Dr. Kelly Patterson, was diagnosed with a shoulder sprain and placed on limited duty. Partinger furnished a recorded statement to the insurance adjuster on Jan. 22, 2007, denying any prior injury to the shoulder. It was subsequently determined that Partinger was treated for a prior shoulder injury on Dec. 13, 2006. He claimed that he suffered an injury lifting weights and had an MRI on Jan. 12, 2007, four days prior to his injury at work. As a result of his alleged work-related injury, he was paid \$29,921.26 to which he was not entitled. Partinger was indicted for one felony count of fraudulent insurance acts. He entered a guilty plea to the charge and was sentenced to two years in the penitentiary and fined \$1,000. The sentence is to run consecutively to any other felony sentence imposed. It was further ordered that Partinger be placed on pretrial diversion for five years subject to the terms and conditions set forth in the pretrial diversion order. He was ordered to pay \$29,921.26 in restitution, a 5 percent state surcharge in the amount of \$1,551.89, and \$1,116.50 to the Fraud Division for investigation expenses.

Vernon Osborne – Osborne collected disability benefits while simultaneously working for another employer. Osborne presented documents containing false, incomplete or misleading information concerning facts material to his claims. Furthermore, he made false or fraudulent representation as to his disability in order to obtain \$45,002.53 in benefits to which he was not entitled. He was charged with one count of fraudulent insurance acts over \$300. Osborne pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to 12 months, which was conditionally discharged after two years. He also was ordered to pay \$12,500 in restitution to UNUM Insurance Company.

James Shawn Young – On October 20, 2008, in Woodford County, Young faxed a fake or counterfeit certificate of insurance from his Versailles home in order to secure subcontracting work, thereby unlawfully conferring a benefit of \$10,704 to himself. Young was charged with one felony count of fraudulent insurance acts. He entered a guilty plea to the amended misdemeanor charge of fraudulent insurance acts and was placed on probation for two years and fined \$250. He also was ordered to pay court costs in the amount of \$150.

Penny Baker Hendrickson – On October 30, 2003, in Madison County, Baker Hendrickson completed an application for life insurance which contained the forged signature of her ex-husband, Clifford Baker. She was charged with one felony count of fraudulent insurance acts. She pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to 360 days, which was conditionally discharged after two years. She also was ordered to pay court costs in the amount of \$153.